



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Olympia, WA 98504-5000

April 9, 2008

Thomas J. Johnston
Managing Member
Liberty Shores Retirement Community
19360 Viking Avenue NW
Poulsbo, WA 98370

RE: Liberty Shores Retirement Community Notice of Termination of Medicaid Contract

Dear Mr. Godfrey:

The department received your written notice of termination of the Medicaid contract for Liberty Shores Retirement Community. The purpose of this letter is to advise you that the department has completed its review of Senate Bill 6807. The bill, which contained an emergency clause, became effective when the Governor signed it on March 28, 2008.

The bill requires retention of Medicaid residents residing in the facility upon the "effective date" of the boarding home's withdrawal from the Medicaid program, as well as certain residents who convert to Medicaid within 180 days of the "effective date" of withdrawal. Liberty Shores provided written notice of termination on March 27, 2008. Because the "effective date" of your withdrawal from Medicaid did not occur before March 28, 2008, we have concluded that the new law applies to Liberty Shores' withdrawal. Under the terms of the contract, the soonest Liberty Shores could terminate the contract was 30 days after providing notice, which would be April 26, 2008 at the earliest.¹ Because the "effective date" of Liberty Shores' withdrawal from the Medicaid program will occur after Senate Bill 6807 went into effect, the bill applies to Liberty Shore's withdrawal from Medicaid.

If Liberty Shores determines that it still wants to withdraw from the Medicaid program and terminate its contract, the facility will be required to retain its current Medicaid residents as well as those who have paid privately for at least two years and who convert to Medicaid within 180 days of the effective date of termination. If not, the Department will expect that Liberty Shores will comply with the requirements of applicable statutes and regulations and with the specific terms of the residents' admissions agreements and disclosure statements with respect to transfer or discharge of Medicaid residents.

If you have any questions, please feel free to call me at (360) 725-2260.

Sincerely,

Kathy Leitch, Assistant Secretary
Aging and Disability Services Administration

¹ Of course, applicable statutes, regulations and Liberty Shore's disclosure statement and resident agreement might have required Liberty Shores to provide more than 30 days' notice to Medicaid residents prior to discharge.

